

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Monday, March 20, 2017  
Time: 2:00 P.M.  
Place: Board Room  
29300 Valley Center Road  
Valley Center, CA 92082

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Broomell at 2:00 P.M.

## **ROLL CALL**

Board members present were: Directors Broomell, Polito, Aleshire, Haskell and Ferro. Staff members present were: General Manager Arant, General Counsel Martin, Director of Operations Hoyle, Finance Director Pugh, IT Director Pilve, District Engineer Grabbe, Deputy Engineering Dept. Director Williams, Manager of Accounting Velasquez, Administrative Assistant Williams and Assistant Secretary to the Board Lovelady. Spectators present were Frederick Adjarian, El Toro Water District and Michael Kinoshita, MKA, Inc.

## **CONSENT CALENDAR**

### **1. Upon motion by Polito, seconded by Haskell and unanimously carried, the following consent calendar items were approved:**

- Minutes of the Board meeting held March 6, 2017.
- Audit demand check numbers 148100 through 148207 for February 24, 2017 through March 9, 2017.
- Treasurer's Report for January 2017.

## **ACTION AGENDA**

### **2. Corporate Facility Long-Term Needs Assessment Re-Evaluation:**

A Corporate Facility Assessment performed in February, 2001 determined that at least 8 developable acres were needed and the current site had less than 6 net acres available for development. At that time, the District considered four alternatives and those were 1) expanding the current site, 2) purchasing the Miller Road and Valley Center Road property, 3) developing the Lake Turner Site, and 4) purchasing the Lilac Road property which the District did in 2005.

**Valley Center Municipal Water District  
Board of Directors' Meeting**

A number of circumstances have changed over the last 16 years. There has been a reduction in the number of employees projected to be needed for a service area build out due to the implementation of labor saving technologies like AMR, SCADA, and GIS; as part of the North-South Village Wastewater Expansion Project, site areas currently dedicated for septic and septic reserve areas will be available for development; Valley Center Road has been improved reducing traffic and access issues; and the District purchased adjacent land from the County of San Diego increasing the current site acreage to 6.85.

Last year the District secured the services of Michael Kinoshita of MKA, Inc. MKA performed a reassessment of the current site's suitability based on an updated analysis of the District's current corporate needs at service area build out. He was also asked to develop a high level conceptual design of future development of the current site to meet the needs of the District. The site plan was not intended to be a design, but an exercise to demonstrate that the site is capable of supporting the District's future needs.

The reassessment indicated that the current site can accommodate the District's needs through build out with or without site augmentation. However, it was also pointed out that securing additional land to augment the site would provide additional development flexibility and eliminate the need for a possible two-story administrative structure. General Manager Arant also presented the Board with a map depicting the surrounding properties the District could potentially purchase in the future.

The direction from the Board of Directors was to defer any formal action at this time, acquire more information on the law regarding the sale of surplus property and explore the availability of adjacent property.

**3. Resolution Approving the District's Statement of Investment Policy and Renewing the Authority Delegated to the Treasurer:**

Review of the District's investment policy by the Board of Directors is required annually by Administrative Code Section 50.1(j). In addition, Government Code Section 53607 requires the delegation of investment authority be reconfirmed by the Board annually.

Finance Director Pugh reported that the District's investment policy has three objectives: 1) the safety and preservation of capital, 2) the liquidity to meet cash flow requirements, and 3) an investment yield at least equal to the market rate of return.

Staff recommended approving the District's Statement of Investment Policy without modification and renewing the authority delegated to the Treasurer to invest and reinvest District funds.

**Upon motion from Aleshire, seconded by Polito and unanimously carried, the following Resolution, entitled:**

RESOLUTION NO. 2017-12

RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
TO APPROVE THE STATEMENT OF INVESTMENT POLICY AND  
TO RENEW THE DELEGATION OF INVESTMENT AUTHORITY TO THE  
TREASURER OF THE DISTRICT

was adopted by the following vote, to wit:

**AYES: Directors Broomell, Polito, Aleshire, Haskell and Ferro**

**NOES: None**

**ABSENT: None**

**4. Resolution Awarding the Construction Contract for the Rincon Reservoir Painting and Recoating Project:**

Project Manager Williams presented the Rincon Reservoir Painting and Recoating project that consists of the cleaning, remedial repair, interior coating, and exterior painting of a 60-foot diameter by 48-foot tall, 1.0 million gallon above ground welded steel potable water reservoir. Additional work includes the removal of the interior ladder, removal and replacement of existing earthquake straps, and rafter tail nuts and bolts. The Reservoir was last painted 20 years ago. The Engineer's estimate for the project was \$225,000.

Six bids were received on the project and the low bid was from AMP United for \$198,698; approximately 13% below the Engineer's estimate and 7% below the number two bid which was J. Colon Coatings, Inc. (JCC) with a bid of \$212,000. Exterior paint is a Tenemec brand paint with a 15 year warranty on color and gloss. Contractor license requirements consisted of either a Class A-1 (General Engineering) or C-33 (Painting and Decorating) Contractor and supplemented that requirement with the stipulation that the applicator be SSPCQP1 certified or have performed a minimum of three reservoir coating projects for the District within the past 10 years, insuring that the District gets a high quality applicator. The SSPC (Society of Protective Coatings Organization) self-polices the coating industry and marine tank painting and coating operations for quality, operations and safety.

JCC, the number two bidder, submitted a bid protest alleging that AMP United did not meet the contractor license and or experience requirements as specified in the contract documents. Staff verified that AMP United was a licensed C-33 contractor with QP1 Certification, therefore meeting the requirements of the project.

There is no additional funding required to award the contract. The construction is scheduled to be complete by mid-July. Staff recommended Board adopt Resolution 2017-13 awarding the contract to AMP United, LLC.

Upon motion from Polito, seconded by Haskell and unanimously carried, the following Resolution, entitled:

**RESOLUTION NO. 2017-13**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
AWARDING THE CONSTRUCTION CONTRACT FOR THE  
RINCON RESERVOIR PAINTING AND RECOATING PROJECT**

was adopted by the following vote, to wit:

**AYES:** Directors Broomell, Polito, Aleshire, Haskell and Ferro

**NOES:** None

**ABSENT:** None

**5. Resolution Adopting the Local Guidelines for Implementing the California Environmental Quality Act (CEQA) Revision:**

District Engineer Grabbe presented that each year Best Best & Krieger (BBK) prepares an update to the District's Guidelines for Implementing the California Environmental Quality Act. This year there were six minor items that BBK recommended be updated in the guidelines.

Upon motion from Aleshire, seconded by Ferro and unanimously carried, the following Resolution, entitled:

**RESOLUTION NO. 2017-14**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
AMENDING AND ADOPTING LOCAL GUIDELINES FOR IMPLEMENTING  
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT  
(PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)**

was adopted by the following vote, to wit:

**AYES:** Directors Broomell, Polito, Aleshire, Haskell and Ferro

**NOES:** None

**ABSENT:** None

## **GENERAL MANAGER'S AGENDA**

### **6. Pauma Valley Groundwater Basin Groundwater Sustainability Agency (GSA) Status Update:**

As mentioned at the last Board Meeting, the County of San Diego (County) is maintaining its decision that it would not take on the responsibility of defending itself and the local agencies even if it is acting in contravention to the wishes of the local agencies had resulted in the lawsuit. Then and now, the District has two options with how to proceed. Option one would have the District maintaining its GSA status and sign the proposed MOU with the County of San Diego (County). The County would become the lead GSA as well as develop and implement the Groundwater Sustainability Plan (GSP). However, as previously discussed, the County will not indemnify or take care of liability issues for the agencies involved even if the County were to take action or adopt policies in contravention to the desires of the other MOU signatory agencies. This option exposes the District to inherent liability such as the potential costs of legal action during plan development and validation. Option Two would have the District withdraw its GSA status and elect to participate in a non-signatory advisory capacity with the County and the entities electing to retain the GSA status and signing the MOU. This option allows the District effective advisory participation in the development and implementation of the Groundwater Sustainability Plan (GSP) with a much lower level of liability exposure. Even after the last Work Group Meeting held on March 16, 2017 (after the Board Memorandum on the issue was drafted), Staff is still recommending Option Two for Valley Center Municipal Water District. Staff will present their final formal recommendation for adoption at the April 3<sup>rd</sup> Board Meeting.

### **7. Miscellaneous:**

The following miscellaneous items were reported:

- Update on the "Drought Conditions" still facing the State of California. It has been determined that this year is the wettest year on record in the last 100 years. There is speculation that Governor Brown will resend his Emergency Drought Proclamation after the April 1, 2017 Snow Measurement. The SWRCB will likely follow suit in May to resend its Drought Emergency Regulations.

## **GENERAL COUNSEL AGENDA**

8. General Counsel Martin mentioned that the State Water Resources Control Board is currently putting out emergency regulations dealing with the fees associated with SIGMA once the SWRCB has to step into a probationary basin or an area that is not covered under a certain GSA.

**BOARD OF DIRECTORS AGENDA**

**9. Resolutions Adopting Concurring Nominations to the ACWA/JPIA Executive Committee:**

Staff received notice of the 2017 ACWA-JPIA Executive Committee Elections to fill the office of four Executive Committee positions. There are three incumbents running for reelection: Tom Cuquet of South Sutter Water District, David Drake of Rincon del Diablo, and Melody Henriques-McDonald and leaving one open seat. The District has received requests from five ACWA-JPIA member agencies to adopt Resolutions Concurring in Nomination of the candidates from their respective agencies. Adopting concurring nominations is a common courtesy among ACWA-JPIA members, but in no way does it obligate the District's ACWA-JPIA Board Representative to vote for any of the candidates for which the District approved concurring nominations..

Fred Adjarian of El Toro Water District, and running for the open seat, introduced himself to the Board of Directors and offered to answer any questions regarding his qualifications. Other concurring nominations were for David Drake – Rincon del Diablo MWD, Paul Dorey – Vista Irrigation District, Melody Henriques-McDonald – San Bernardino Valley Water Conservation District, and Kathy Tiegs – Cucamonga Valley Water District.

**Upon motion from Aleshire, seconded by Haskell and unanimously carried, the following Resolution, entitled:**

**RESOLUTION NOS. 2017-07, 08, 09, 10 & 11**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE  
ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS  
INSURANCE AUTHORITY (“ACWA/JPIA”)**

**was adopted by the following vote, to wit:**

**AYES: Directors Broomell, Polito, Aleshire, Haskell and Ferro**

**NOES: None**

**ABSENT: None**

**Valley Center Municipal Water District  
Board of Directors' Meeting**

**ADJOURNMENT**

**10. Upon motion by Aleshire, seconded by Ferro and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:22 p.m.**

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Secretary**

**Approved at a Regular Meeting of the Board of Directors on April 17, 2017**